

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2359 - HB 2598**

January 30, 2012

**SUMMARY OF BILL:** Creates a new specialty earmarked license plate for the East Tennessee Children's Hospital.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$4,200/General Fund/One-Time/FY12-13**

**\$15,400/East Tennessee Children's Hospital/FY12-13**

**\$12,300/Tennessee Arts Commission/FY12-13**

**\$3,100/Highway Fund/FY12-13**

**\$17,500/East Tennessee Children's Hospital/FY13-14 and Subsequent Years**

**\$14,000/Tennessee Arts Commission/FY13-14 and Subsequent Years**

**\$3,500/Highway Fund/FY13-14 and Subsequent Years**

**Increase State Expenditures - \$4,200/One-Time/FY12-13**

**Assumptions:**

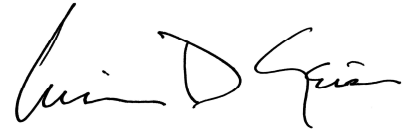
- Revenue (1,000 plates at \$35.00 each).
- According to the Department of Transportation, the cost of production has increased from \$3.76 per plate to \$4.25 per plate.
- Expenditures (Production cost: 1,000 plates at \$4.25 each = \$4,250 one-time).
- Pursuant to Tenn. Code Ann. § 55-4-201(h)(1), new specialty earmarked license plates require a minimum order of 1,000 plates prior to initial issuance. Any plate not meeting the minimum order requirement within one year after passage of the act authorizing the plate will become invalid.
- Under the provisions of the bill, the East Tennessee Children's Hospital license plate will be exempt from the statutory provision that requires a license plate that has failed to meet minimum issuance or renewal requirements, to be ineligible for reissuance for a period of three years from the date the plate was deemed obsolete and invalid.
- One thousand new plates will be purchased by individuals who currently do not have a specialty license plate.

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- Net proceeds from the sale of such plates will be allocated as follows: 50 percent to the East Tennessee Children's Hospital; 40 percent to the Tennessee Arts Commission; and 10 percent to the State Highway Fund.
- The East Tennessee Children's Hospital plate was previously authorized by Chapter 876 of the Public Acts of 2002.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read 'Lucian D. Geise', with a stylized flourish at the end.

Lucian D. Geise, Executive Director

/rct